



February 9, 2001

SENATE BILL No. 199

DIGEST OF SB 199 (Updated February 8, 2001 11:01 AM - DI 102)

Citations Affected: IC 20-5.

Synopsis: Funding of retirement and severance benefits. Provides that if a school corporation establishes after June 30, 2001, a retirement or severance plan or enters into any contract provisions that: 1) will require the school corporation to pay post-retirement or severance benefits to employees of the school corporation, or 2) will increase the benefit or the unfunded liability under any retirement or severance provisions that will require the school corporation to pay post-retirement or severance benefits to employees of the school corporation, the school corporation must actuarially pre-fund the post-retirement or severance benefits.

Effective: July 1, 2001.

Kenley

January 9, 2001, read first time and referred to Committee on Pensions and Labor.
February 8, 2001, amended, reported favorably — Do Pass.

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SB 199—LS 7482/DI 73+



February 9, 2001

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

SENATE BILL No. 199

A BILL FOR AN ACT to amend the Indiana Code concerning education finance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 20-5-64 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2001]:

4 **Chapter 64. Funding of School Corporation Retirement or**
5 **Severance Plan**

6 **Sec. 1. This chapter applies to a school corporation that:**

7 **(1) after June 30, 2001, establishes a retirement or severance**
8 **plan that will require the school corporation to pay**
9 **post-retirement or severance benefits to employees of the**
10 **school corporation; or**

11 **(2) includes in a collective bargaining agreement or other**
12 **contract entered into after June 30, 2001, any provisions to**
13 **increase:**

14 **(A) the benefit; or**

15 **(B) the unfunded liability;**

16 **under any retirement or severance provisions that will**
17 **require the school corporation to pay post-retirement or**

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severance benefits to employees of the school corporation.

Sec. 2. (a) A school corporation must actuarially pre-fund the post-retirement or severance benefits that will be paid to employees under a plan, an agreement, or a contract described in section 1 of this chapter.

(b) A school corporation must place the assets used to pre-fund the post-retirement or severance benefits in a separate fund or account, and the school corporation may not commingle the assets in the separate fund or account with any other assets of the school corporation.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Pensions and Labor, to which was referred Senate Bill No. 199, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, line 12, delete "retirement or" and insert "**provisions to increase:**

(A) the benefit; or

(B) the unfunded liability;

under any retirement or".

and when so amended that said bill do pass.

(Reference is to SB 199 as introduced.)

HARRISON, Chairperson

Committee Vote: Yeas 10, Nays 0.

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